



## NC OSC Policy 102.7

### Land Policy

Policy Area: <b>Accounting &amp; Financial Reporting</b>	Effective Date: <b>7/1/1995</b>
Policy Sub Area: <b>Capital Assets</b>	Last Revision Date: <b>1/22/2007</b>
Authority: <b>GASB Codification Section 1400</b>	Policy Owner/Division: <b>Statewide Accounting</b>
<p><b><u>Policy</u></b></p> <p>Land is the real estate property held by the State. It can be purchased or donated. Since land is considered not to have a limited useful life and its salvage value is unlikely to be less than its acquisition cost, land is not depreciated.</p> <p>Purchased land should be recorded at its cost. The cost includes its purchase price and any other charges necessary to purchase the land. The other charges include costs such as site preparation expenditures, professional fees, and legal claims directly attributable to the land acquisition. If land and building are acquired as a single parcel, the value of the land should be determined separately from the building and recorded in the land account. If land and a building are acquired together with the intent to raze the building, the cost of razing the building would be capitalized as part of the cost of the land.</p> <p>Donated land should be capitalized at the appraised market value at the time of donation.</p>	
<p><b><u>Procedures</u></b></p> <p>NA</p>	
<p><b><u>Accounting Guidance</u></b></p> <p>After ownership is established, the State Property Office should be notified with a Land Update Form (For form example contact the State Property Office).</p>	

**Related Documents (Memos/Forms)**

NA

**Revision History**

Date	Description
01/22/2007	Policy updates